



Star BUSINESS

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সর্ব: সরকার ১৫ রোড কার্যালয় ১৬ সেক্টর প্রদৰ্শন সমিক্ষার জন্য।

Danish IT team in Dhaka to explore offshore centres

STAR BUSINESS REPORT

A Danish IT team has arrived in Dhaka aiming to set up offshore development and production centers in cooperation with Bangladeshi IT companies.

The team includes representatives of AB-PC, BBDO Denmark, Dahl & Kjaergaard HR, Danish Hydraulics Institute, Ghost, IO Technologies, Jubii, Klarisma, Kring Technologies, Mondo, Netpeople, Nordsource, People Group, SPAMfighter and TraceWorks.

The delegation members are accompanied by representatives of the Confederation of Danish Industry and the Danish Federation of Small & Medium sized Enterprises.

The delegation will be attending the upcoming software exposition - SOFTEXPO-2004 - scheduled to begin today. The Danish companies will be showcasing their products at the Denmark Pavilion.

The Danish embassy has arranged the delegation's meetings with over 10 Bangladeshi companies to evaluate potentiality of partnerships before entering into long-term collaborations.

Cut duty, VAT on import of motor vehicle parts
Assemblers ask govt

Businesses sit today to stamp out VAT row

STAR BUSINESS REPORT

As deadline to submit VAT expires November 30, business leaders sit today to derive a new negotiation strategy to end a row with National Board of Revenue (NBR) over payment of VAT for shops and other retailers.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) standing committee on income tax and VAT convenes the meeting as part of the apex trade body's last-ditch effort to reach an amicable solution to the VAT row.

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REAZ AHMAD and
REJAUL KARIM BYRON

Despite the present gas supply shortage, the government assured a 20-year uninterrupted supply assurance to Indian giant Tata on consideration that Bangladesh has a prospect of discovering almost three-fold more gas than its reserve of 15 trillion cubic feet (tcf) in near future.

Talking to The Daily Star recently State Minister for Energy and Mineral Resources AKM Mosharraf Hossain said, "The recent shortage of gas is accidental and temporary. As one out of four wells at Sangu has been stalled for over four months now, there is a daily shortage of 50 millions of cubic feet (mcf) now.

Mosharraf, however, added that there is a possibility of getting 42 tcf more gas as the international oil companies (IOCs) as well as Bapex (Bangladesh Petroleum Exploring & Production Company) are exploring new gas fields and will dig more wells in days to come.

Besides, we've 3,500 million tonnes of coal in reserve, which is

ing to call indefinite strike if the negotiation fails.

NBR earlier this year introduced return system for VAT payment while retailers demanded to continue participatory or package system which means shop-owners have to pay a fixed amount as VAT. NBR also asked shops and other retailers to submit VAT return on their total sales.

Leaders of Baboshayee Shangathan Oikya Parishad (BSOP), a newly formed platform of shops and other retail businesses, threaten not to deposit any VAT even after expiry of the

deadline if NBR does not reintroduce participatory system for VAT on retail sales.

The row may lead to confrontation with NBR officials indicating no shift from its policy on realisation of VAT from retail business. A NBR source said the government loses huge revenue due to participatory system existed earlier.

"As VAT is applicable to retail sales, businessmen need to pay VAT on their total sales, not a portion," the source added.

"There happens a lot of bargaining over prices in small retail

shops, so it is quite tough for the shopkeepers to collect right amount of VAT from customers," Dewan Sultan Ahmed, chairman of the FBCCI standing committee on VAT, said yesterday.

He said NBR system of VAT collection at retail level is only possible in the computerised shops. Apart from some chain superstores and departmental shops, other small outlets do not have infrastructure to collect VAT and maintain it in documents.

"Chain superstores and departmental shops make transactions in fixed price and they

have computerised system to calculate VAT, but they are only a few in number," Ahmed added.

Md Helal Uddin, convenor of BSOP, said businesses are not opposed to paying VAT but they want to pay it in participatory system which is the only practical and convenient way of realising VAT in the present infrastructure of shops.

Amir Hossain Khan, president of Bangladesh Dokan Malik Samity (an association of retail shop owners), said the government should give some more time to shop owners and other retailers to submit VAT return on total sales as it requires infrastructure.

Earlier, shop owners and other businesses across the country observed a daylong strike on July 21 to press home their demands.

The government introduced VAT in 1991 for different businesses and in 1997 it was extended to retail level.

Shop owners used to pay VAT in package system in line with a negotiation between NBR and FBCCI. The minimum annual VAT was Tk 4,200 for shops in Dhaka, Tk 3,600 in other city corporation areas and Tk 2,400 for the rests.

MCCI hails VAT waiver for industries

Metropolitan Chamber of Commerce and Industry (MCCI) yesterday hailed the government decision to exempt all export-oriented industries from value added tax (VAT).

Full exemption from VAT in port handling charges, freight forwarding, clearing and forwarding, shipping, insurance, gas and electricity bills will immensely help make the industries competitive, says a press release.

"We thank the government for the timely decision taken to help the export-oriented industries in the context of coming into operation of the WIO agreement and discontinuation of the multi-fibre arrangement," said MCCI President Kutubuddin Ahmed in a statement.

The decision reflects the government's forward looking approach to economic issues, he added.

Appreciating the decision, MCCI president also stressed need for an integrated policy framework to help competitive strength of the products.

MCCI also urged the government to finalise a policy framework at the earliest which will not only mitigate the negative effects of globalisation but also can provide pro-active help to the economy achieve better competitive capacity in the globalisation process.

Emirates announces \$236m profit

Dubai-based airline Emirates has announced record high net profits of \$236 million for the first six months of the fiscal year 2004-05, from April 1 to September 30.

The unaudited financial figures are Emirates' best ever for any six-month period and shows a 41 percent increase compared with net profits of \$167 million during the same period of last year, says a press release.

"Strong passenger and cargo demand coupled with better yields helped to offset higher costs due to escalating jet fuel prices," said Emirates' Chairman Sheikh Ahmed bin Saeed Al-Maktoum.

He added: "Increase in jet fuel prices is still affecting our performance and has forced us to adopt some stringent cost-containment measures. We had to implement the ticket surcharges recommended by the Dubai Board of Airline Representatives to cope with the situation."

Emirates operates to 77 destinations in 54 countries from Dubai. Recently it has announced to start passenger and belly-hold cargo services to another four destinations in 2005.

Euro soars to new high against dollar

REUTERS, London

The euro soared to new highs against the dollar Wednesday, wiping out modest opening gains on European stocks, while euro zone government bonds fell after a weak Bund auction.

Gold prices remained tantalizingly close to the key level of \$450 an ounce, while the yen and other Asian currencies held their own on naging fears about possible central bank intervention to stem the dollar's slide.

"With markets thin over Thanksgiving you can't rule (intervention) out," Elizabeth Miller, an analyst at Redtower Research said, referring to Thursday's US holiday.

The euro bought a record \$1.3165 and the dollar was changing hands for around 103 yen.

Earlier a senior Japanese Finance Ministry official said the dollar was out of line with economic fundamentals, words which officials have used in the past before intervening. The South Korean government also urged firms to curtail dollar sales.

German Chancellor Gerhard Schroeder said he was worried the euro's rise could harm Germany's key export sector and European Central Bank Governor Council member Jaime Caruana said it was affecting external demand.

The FTSE Eurofirst 300 index of leading European shares was broadly flat at just over 1,024 points. The FTSE 100, Cac-40, and Dax indexes ranged from 0.2 percent drop to a rise of 0.4 percent.

Euro zone government bond futures fell 10 ticks to a new session low after the disappointing Bund auction.

The sale of 8 billion euros in 3.75 percent January 2015 Bunds achieved bid-to-cover ratio of 1.4 times the amount on sale, and the Bundesbank retained about 18.5 percent of the total sold, above the usual 10-15 percent.

Tata gets gas supply assurance on prospect of new discovery

Mosharraf tells The Daily Star

REAZ AHMAD and
REJAUL KARIM BYRON

But we gave assurance to Tata on the basis of our present stock as well as on probable gas reserve."

He said the country has 15 tcf of confirmed gas reserve now, which will run up to 2017 at seven percent annual growth rate in domestic demand, but will exhaust by 2010 at 13-14 percent annual demand growth.

Mosharraf, however, added that there is a possibility of getting 42 tcf more gas as the international oil companies (IOCs) as well as Bapex (Bangladesh Petroleum Exploring & Production Company) are exploring new gas fields and will dig more wells in days to come.

Tata recently has signed a letter of intent expressing its willingness to invest Tk 1200 crore in Bangladesh for establishing three industries to produce steel, power and fertiliser and asked for 20-year uninterrupted gas supply there.

Tata's proposal came at a time when domestic supply shortage of gas forced the energy ministry to ask the industries ministry to ration gas to state-owned fertiliser factories.

Mosharraf came down heavily on people who criticised the Tata move suspecting it to be an Indian ploy to

exploit country's gas in a different manner. "It's nothing unique. We've given such 20-year uninterrupted gas supply guarantees to others such as AES and La Large already."

Moreover, he explained, by using the gas Tata would produce fertiliser, steel and power, of which Tata would export the fertiliser only and offer the total production of steel and power to Bangladesh "if we want to purchase these."

With the drilling and production of new gas fields and wells, both by IOCs and Bapex, the minister hoped that there would be no crises of gas in the country from the beginning of 2005.

Stocks behaving rationally: SEC DSE index crosses 1900 mark

STAR BUSINESS REPORT

The Securities and Exchange Commission Chairman Mirza Azizul Islam yesterday said the stock markets of Bangladesh are behaving rationally.

He said the market has successfully recovered from the horrifying experiences resulting from the 1996 share market scam and that the present market is capable of facing off such situations in future.

He said to cope with the present demand, treasury bonds and asset-backed securities bonds will be introduced in the stock markets soon.

The SEC chairman made the observations while speaking at an inaugural function of a branch opening by Chittagong Stock Exchange (CSE) member Meenhar

Securities Ltd.

Referring to the current vibrant market, Islam said the present market is excellent and investment-friendly.

Meanwhile, the bullish trend on the Dhaka Stock Exchange (DSE) continued with the general index crossing 1900-point mark yesterday.

A total of 175 issues were traded of which prices of 86 issues gained, 64 declined while 25 remained unchanged. Turnover was recorded Tk 62.65 crore.

On the other hand, the CSE All Share Price Index stood at 3374.39 points yesterday increasing 13.70 points or 0.4 percent from Tuesday's 3360.69 points.

A number of 83 issues were traded in which 41 issues advanced, 35 declined and seven remained unchanged.

Make best use of GP fibre optic network

GP urges stakeholders

STAR BUSINESS REPORT

Leading mobile phone operator GrameenPhone yesterday urged all concerned to use its fibre optic network for all sorts of data and voice communications needed for fostering ICT development of the country.

"There has been a growing trend for data communications in the country and all subscribers including rival telecoms operators are welcomed to use GP's fibre optic network," said GP Managing Director Ola Ree while speaking at a function.

The function was organised by GP to inaugurate a workshop titled "Nationwide Fibre Optic Network & Its Application".

Ree said GP will continue its endeavour to work for the development of communications sector of the country.

Post and Telecommunications Minister Aminul Haque expressed his firm determination to connect the country with the information super highway by the middle of next year.

"Bangladesh cannot miss it this time," the minister said while inaugurating the workshop as the chief guest.

He, however, said steps should be taken for optimum utilisation of the fibre optic network.

Frank Fadstad, GP's deputy managing director, who also spoke at the function, said Bangladeshi universities will be able to join a consortium of Global University System by utilising the facility of countrywide fibre optic network.

AMM Yahya, director of fibre optic network division, Syed Sharif Khasru of X-net and Fazle Selim of Rangpur IIT, among others, also spoke.

GP uses the fibre optic network of Bangladesh Railway.

EU trade chief demands concessions in WTO talks

AFP, Geneva

Less than 48 hours into his new job, the European Union's trade chief, Peter Mandelson, tried on Tuesday to stimulate global trade liberalisation talks by demanding more concessions from other major trading nations.

In his first trip to the World Trade Organisation, the incoming European Trade Commissioner insisted that more progress was needed on the controversial issue of dismantling agricultural subsidies.

A meeting at WTO headquarters in Geneva in July appeared to revive the ailing three-year-old Doha round of trade liberalisation talks, partly after the EU accepted to negotiate the off-farm export subsidies.

"On agriculture, we stand ready to deliver the commitments we made in July, which others need to match," Mandelson said.

"We must see a similar breakthrough on non-agricultural market

Two lakh new job seekers enter labour market a year

BSS, Dhaka

Over 2 lakh new job seekers enter the country's labour market a year.

Of them, 15,000 are trained on various trades from different technical training centres under the Ministry of Labour and Employment.

This was stated at the 3rd meeting of the parliamentary standing committee on the Labour and Employment Ministry held at Jatiya Sangsad Bhaban here yesterday.

The meeting discussed various aspects of the Private Sector Transport Employees Welfare Fund Bill-2004 and expressed satisfaction over the activities of the ministry.

It was informed in the meeting that a total of Tk 58.80 crore have been allocated for the ministry directly contributing to the GDPs by mitigating unemployment.

CSE Chief Executive Officer (CEO)

Cox's Bazar under CSE network

SHAHIDUL ISLAM, Cox's Bazar

The Chittagong Stock Exchange (CSE) has expanded its operations connecting Cox's Bazar to key cities of Dhaka, Chittagong and Sylhet through its